

ECONOMIC INVESTMENTS IN NEW RETAIL PROJECTS

PURPOSE: The key purpose for investing in these projects is to generate significant new City revenues, especially where a high percentage of those revenues come from outside the City.

					ACTUALS TO DATE			20 YEAR PROJECTIONS			NOTES
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
DATE	PROJECT/ LOCATION	AUTHORIZED MAX. CITY INVESTMENT	DEVELOPMENT AGREEMENT CONTRACT TERMS	CURRENT CONTRACT STATUS	TOTAL CITY INVESTMENT TO DATE	TOTAL NEW CITY REVENUES - ACTUAL TO DATE	INCENTIVE COST AS % REVENUES ACTUAL TO DATE	EST. TOTAL CITY INVESTMENT OVER 20 YRS.	EST TOTAL NEW CITY REVENUES OVER 20 YEARS	INCENTIVE COST AS % REVENUES 20 YEAR PROJ.	
6/87	Price Club/Costco Hayden/83 rd	\$105,967	Cash upfront from General Fund contingency	Fully paid off 10/87	\$105,967	\$22,050,000 *	0.5%	\$105,967	\$25,900,000 *	0.4%	City’s first investment Only one paid upfront
12/93- 5/95	Scottsdale Fiesta - SEC Pima/Shea	\$2,700,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 10 years	Fully paid off 5/00	\$2,318,700	\$15,043,000	15.4%	\$2,318,700	\$31,515,000	7.4%	Excludes grocery store
4/94	Scottsdale Towne Center -- NEC Pima/FLW	\$329,000	Rebate of 25% of 1.0% General Fund sales tax for a maximum of 7 years	Fully paid off 2/98	\$329,000	\$10,306,000	3.2%	\$329,000	\$21,591,000	1.5%	
7/94	Pima Crossings Center -- NWC Pima/Shea	\$100,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 2 years	Fully paid off 5/95	\$100,000	\$6,407,000	1.6%	\$100,000	\$13,423,000	0.7%	
2/96- 8/98	North Scottsdale auto dealers (6) - Hayden/FLW	\$2,522,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 1-3 years	Contract complete Partial Payment	\$1,886,793	\$21,989,000	8.6%	\$1,886,793	\$68,104,000	2.8%	Construction delays at two dealers resulted in only partial reimbursement
9/97	Sonora Village -- SWC Pima/Frank Lloyd Wright	\$108,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 2 years	Fully paid off 12/99	\$108,000	\$2,252,000	4.8%	\$108,000	\$6,976,000	1.5%	
4/99	The Promenade -- SEC Scottsdale/FLW	\$5,487,000	Rebate of 50% of 1.0% General Fund sales tax for a maximum of 7 years	Expect full payoff 1/07	\$3,619,861	\$12,441,000	29.1%	\$5,487,000	\$82,260,000	6.7%	
11/02	Lund Cadillac -- SEC Scts/Loop 101	\$5,600,000 + Interest	Rebate of 67% of 1.0% General Fund sales tax for a maximum of 10 years	Expected opening mid 2005	0	0	0	\$7,600,000**	\$81,333,000	9.3%	Includes obligation to keep Kachina Cadillac open 2 yrs.
TOTALS:					\$8,468,321	\$90,488,000	9.4%	\$17,935,460	\$331,102,000	5.4%	

Notes:
(A) Date of Council authorization of development agreement
(C) Maximum reimbursement developer can receive – the reimbursement may be lower due to infrastructure construction cost savings, but in no cases may it be higher than authorized.
(D) Developer is typically reimbursed through a sharing of future tax revenues – if revenues come in faster the developer is paid off sooner, but if less than expected full reimbursement may not occur.
(E) When the contract was completed, or is projected to be completed.
(F) The actual amount the City has paid to the projects through June 2004.
(G) Total new direct City revenues (actual General Fund sales, lease, and construction taxes, plus estimated property taxes) through June 2004, as provided by the City’s Tax Audit Division.
(H) Column F (actual payments made to date) divided into column G (actual revenues received to date).
(I) The projected maximum amount the City will pay to the developers
(J) Projections of total new direct City revenues (sales and property tax), extrapolated from current revenues, over a 20-year period.
(K) Column I (projected total payments – assumes all contracts achieve full amount authorized) divided into column H (projected total revenues over 20 years).
* State Law prohibits releasing sales tax data from individual businesses; therefore Costco figures are projections by the E.D. office based on national sales trends at similar stores.
** Interest is estimated only; actuals will depend upon how long it takes to pay off investments.

Highlighted projects have currently active development agreements.

ECONOMIC INVESTMENTS IN REDEVELOPMENT PROJECTS

PURPOSE: The key purpose for investing in redevelopment projects is to facilitate the redevelopment of targeted areas of the City.

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					(F) TOTAL CITY INVESTMENT TO DATE	(G) TOTAL NEW CITY REVENUES - ACTUAL TO DATE	(H) INCENTIVE COST AS % REVENUES - ACTUAL TO DATE	(I) EST. TOTAL CITY INVESTMENT OVER 20 YRS.	(J) EST. TOTAL NEW CITY REVENUES OVER 20 YEARS	(K) INCENTIVE COST AS % REVENUES 20 YEAR PROJ.	
	Scottsdale Fashion Square Mall Scts./Camelback										
9/89 - 12/90	Phase 1: Neiman Marcus expansion	\$4,000,000	Rebate of 50% of 1% General Fund sales tax (over CPI adjusted base year) for a max. of 10 years.	Fully paid off 2/00	\$13,439,814	\$89,848,000	15.0%	\$4,000,000 (phase 1) + 28,750,000 (phase 2) + 33,250,000 (interest) \$66,000,000 est. total	\$185,200,000	35.6%	At end of lease term City gets title to parking structure and land
10/96	Phase 2: Nordstrom expansion	\$28,750,000 plus interest	Rebate of 90% of net new General Fund 1% sales tax revenues, plus interest at 9.0% for a maximum of 30 years	Expect full payoff in 2018							
2/90	IMAX Theater @ Scts. Galleria	\$525,000	Maximum of \$105,000/year for 5 years subject to City receiving at least that amount of 1% Gen. Fund sales tax revenues	Contract Complete; partial payment only. IMAX closed in 1999	\$395,547	\$1,126,000	35.1%	\$395,547	\$1,126,000	35.1%	Galleria has now converted to an office complex
10/03	Scottsdale Waterfront – SWC Scottsdale/ Camelback	\$5,350,000 in total investment; \$3,150,000 repaid w/ interest from future revenues	Rebate of 90% of General Fund sales tax, plus interest at 7.5%, for up to 20 years, for up to \$3,150,000. Plus waiver of up to \$500,000 in fees, plus City obligation to pay for up to \$1,700,000 in infrastructure	Project under construction; estimated opening of phase 1 in late 2005.	0	0	0	\$8,290,000 *	\$13,464,000	61.6%	City receives permanent parking easement plus 4,000 sq.ft. space and other infrastructure improvements.
7/04	ASU Center for New Technology and Innovation (former Los Arcos Mall site) **	\$87.0 million (plus debt service costs)	City acquired former Los Arcos site for \$42 mil. and leased to ASU. City also responsible for up to \$45 mil. in infrastructure costs. Est. debt service on bonds \$38 mil.	Demolition has begun; first bldg. is expected to be completed by 2006.	0 (note: City has purchased land, but will be reimbursed by bond issuance)	0	0	\$42,000,000 (land) + 45,000,000 (infra.) + 38,000,000 (debt ser.) \$125,000,000 est. total	\$267.0 million	46.8%	City owns land.
TOTALS:		\$121,625,000			\$13,835,361	\$90,974,000	15.2%	\$199,685,547	\$466,790,000	42.8%	

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** All ASU Center costs and revenues are projected over a 30 year basis, due to a 30 year amortization schedule on the debt service.

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ECONOMIC INVESTMENTS IN NEW EMPLOYMENT PROJECTS

PURPOSE: The key purpose for investing in new employers is to meet economic development goals of insuring high quality jobs for the residents of Scottsdale.

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5/97	Finova Headquarters -- Scottsdale/Highland	\$460,000	Up to \$460,000 in fee waivers (originally included potential additional \$2.24 mil. in investment for balance of Portales site, but owner has changed plans).	First phase done. Additional investment unlikely due to changed plans.	\$122,730	\$1,308,000	9.4%	\$122,730	\$1,958,000	6.3%	Finova originally created 350 jobs, but has since cut back. Building today houses about 500 total jobs.
6/97	Dial Corporation Headquarters – Dial Blvd. And Greenway – Hayden Loop	\$440,000	Maximum of \$44,000/year subject to City receipt of at least that much in new tax revenues. Maximum of 10 years	Opened 8/97 Expect full payoff 2007	\$253,687	\$335,000	75.7%	\$440,000	\$745,000	59.0%	Dial currently has about 600 employees in Scottsdale.
9/97	Surface Tek – Scts. Airport	\$89,000	Up front payment from Econ. Stab. Fund to Water Fund, with a performance lien	Contract complete Project left Scottsdale 3/00; reimbursed City \$80,100	\$8,900	\$18,000	49.4%	\$8,900	\$18,000	49.4%	Agreement required reimbursement when they left City. Surface Tek originally had 35 positions.
12/03	Mayo Clinic Collaborative Research Bldg. – Shea/134 th St.	\$85,000	\$85,000 in fee waivers. City also made investment of up to \$3.0 mil. for building, but that investment is to be repaid with interest, so it is not included.	Project is under construction; est. opening 2005.	0	0	0	\$85,000	\$1,820,000	4.7%	An estimated 200 jobs will be located at this facility; should also serve as the catalyst for additional R& D development
TOTALS:		\$1,074,000			\$385,317	\$1,661,000	23.2%	\$656,630	\$4,541,000	14.5%	

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ECONOMIC INVESTMENTS IN HISTORIC PRESERVATION PROJECTS

PURPOSE: The key purpose for investing in these projects is to help insure that historic facilities are preserved.

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11/03	Valley Ho Hotel – 68 th St./Indian School Rd.	\$2,500,000	Rebate of 70% of General Fund sales tax revenues, up to \$2,500,000 or until 4/1/24. Valley Ho grants City a Historic Preservation Conservation Easement.	Renovations have begun; estimated opening fall 2005.	0	0	0	\$2,500,000	\$13,087,000	19.1%	Investment allowed owner to renovate existing historic facility, rather than raze entire site.
TOTALS:					0	0	0	\$2,500,000	\$13,087,000	19.1%	

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